

Sustainability Report 2023

IMM Private Equity, Inc.





Report overview

The following report is IMM Private Equity's Sustainability Report for the year 2023. Based on our investment philosophy, the '4S (Social Responsibility, Sound Professionalism, Stable Profitability, Steadfast Relationship)', we transparently disclose the company's direction and performance in sustainable management to stakeholders. This report, published in both Korean and English, aims to foster active communication with stakeholders. Moving forward, we will continue to gather and incorporate stakeholders' feedback through our Sustainability Report to enhance our sustainability initiatives.

Reporting period

This report encompasses IMM Private Equity's sustainable management activities and achievements from January 1st, 2023, to December 31st, 2023. Additionally, it includes qualitative outcomes of significance, some of which may pertain to periods preceding 2023. The publication of this report is on an annual basis.

Publishing & feedbacks

This report is available for viewing and downloading on the IMM Holdings website.

If you have any inquiries about the report contents or require further information, please don't hesitate to contact us at the following:

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Message from CEO

Greetings,

I am Injun Song, CEO of IMM Private Equity.

With over 17 years of experience in the industry, IMM Private Equity stands as a leading Korean private equity firm. In our pursuit to establish ourselves as frontrunners in ESG management, we dedicated ourselves to a multitude of ESG initiatives throughout the year 2023.

We have spearheaded comprehensive ESG management within our buyout portfolio companies. This endeavor wasn't merely a one-off initiative; rather, it was a meticulously planned effort to embed ESG principles into the core vision and business strategy of each company. Consequently, our portfolio companies have garnered ESG-related accolades from both governmental bodies and media outlets, affirming our unwavering commitment to ESG management.

Furthermore, we have gone above and beyond the mandates set by the domestic capital market to achieve ESG excellence. In 2023, following the conclusion of the Covid-19 pandemic, we recommenced our philanthropic endeavors after a temporary pause. Additionally, we engaged in various initiatives to enhance the transparency of our business activities. These efforts were duly recognized, culminating in our receipt of the ESG category award at the 2023 E-Daily Financial Investment Awards.

Every employee of IMM PE deeply understands the weight of the social responsibility bestowed upon us. We remain steadfast in our commitment to not only serve the interests of our investors and portfolio companies but also to make meaningful contributions to society at large. We are resolute in our dedication to conducting sustainable management practices that align with both domestic and global standards.

Thank you.

CEO, **Injun Song**



2023 ESG Highlights



IMM PE ESG Framework



'21.4 Declaration of Support



'21.5 Joined UNPRI



ESG Policies based on major initiatives

ESG Statement

ESG Monitoring Pre & Post Investment Execution



To establish and implement ESG strategies & policies

ESG-dedicated Group

Actively leveraging ESG in operations

- Continuously monitoring ESG policy compliance throughout the review and execution process
- Utilizing an ESG checklist during reviews and establish improvement for target companies
- ESG due diligence essential for investment targets
- Dedicated ESG team for responsible investing

IMM Portfolio ESG Activities

- Joined international initiatives related to climate change
TCFD (Hanatour, Genuone Sciences, Able C&C), CDP (Hanssem)



Leveraging sustainable aviation fuel and operating electric vehicles



Development of eco-friendly packaging and vegan-certified products



Established ESG-dedicated Organization

- ESG-related accolades



Recipient of 2023 Minister of Trade, Industry and Energy Award



Received the Minister of Employment and Labor's Award for Excellence in Gender Equality Employment
Selected as Top company for human resource development by the Korea Industrial Personnel Corporation and four ministries

Received Dong-A Ilbo K-ESG Award

Received Minister of Employment and Labor's Fair Hiring Excellence Award



Received Seoul Mayor's Prize at the Dong-A Ilbo K-ESG Awards

Selected as an excellent human resource development organization

1. TCFD : Task Force on Climate-related Financial Disclosure
2. CDP : Carbon Disclosure Project

IMM PE ESG Activities



Recipient of the the E-Daily Financial Investment ESG Award



IMM Hope Foundation

Beneficiary Institutions **60+** institutions

Beneficiary Students **350+** students

Donation Amount **KRW 12+Bn**



Restarted community outreach in September 2023 post COVID-19 hiatus

MOU with SanghaJoong town & Farm Volunteer Program

Shared the management performance and business plans of IMM Holdings to **strengthen investors' trust**

Held **AGM** (Annual General Meeting)



Agenda


Sustainability Report | IMM Private Equity

I	• Introduction on IMM PE	06
II	• IMM ESG Framework	12
III	• IMM Portfolio ESG Activities	21
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A series of horizontal lines in shades of green and teal, stacked and slightly offset, creating a modern, layered effect.

Sustainability Report | IMM Private Equity

I . Introduction on IMM PE

A small teal circle icon.

Introduction on IMM PE

IMM ESG Framework

IMM Portfolio ESG Activities

IMM PE ESG Activities



Founded in 2006, IMM Private Equity (IMM PE) is a leading domestic private equity firm with over 17 yrs. of experience, emphasizing stable and growth-oriented operations through strong partnerships and close collaboration under IMM Holdings.

Company Overview

Category	Details
Title	IMM Private Equity (hereinafter "IMM PE")
Est.	September 8 th , 2006
Headquarters	12F Gangnam Finance Center, 152, Teheran-ro, Gangnam-gu, Seoul, Korea
Personnel	28 executives and employees (23 investment and management professionals)
AUM ¹	USD 8.0 billion (40 buyouts and growth capital investments)

Awards

- | | |
|-------|--|
| 2015년 | ● "PEF of the Year" at the 2015 Seoul Economic Daily Securities Awards |
| 2016년 | ● "Best PEF Fundraising Leader" at the 13th Money Today Korea IB Awards
Selected as Private Equity International 300 (162nd in the world) |
| 2019년 | ● "Partner of the Year" by the Korea Teachers and Staff Mutual Aid Association
● "PEF of the Year" at the 2019 Seoul Economic Daily Securities Awards |
| 2020년 | ● "Best PE Buyer" Korea Capital Markets thebell League Table Awards
● "Best PEF Deal Leader" at the 17th Money Today Korea IB Awards |
| 2021년 | ● Selected as Private Equity International 300 (114th in the world) |
| 2022년 | ● "Best PE House" Korea Capital Markets thebell League Table Awards
● "Best PEF Solutions Leader" at the 19th Money Today Korea IB Awards
● PEF Sector Gold Award at the 24th Maekyung Securities Awards
● "Creative management" at KASBA Best Business Practice Awards |
| 2023년 | ● "Best PEF PMI Leader" at the 20th Money Today Korea IB Awards
● "Best ESG PEF" at the Edaily Financial Investment Awards
● "Deal of the Year" by the 20 th Seoul Economic Daily Securities Awards |

1. As of December 2023 (Converted by the exchange rate of KRW 1,150 per USD 1)

Note: IMM홀딩스 및 IMM Credit & Solutions(이하 "ICS")가 포함된 내용은 별첨 참조

Key Portfolio

Assets under management: USD 8.0 billion,
40 cumulative cases of buyouts and growth capital investments

[Buyout Investment]



Buyout Investments (Total:12)

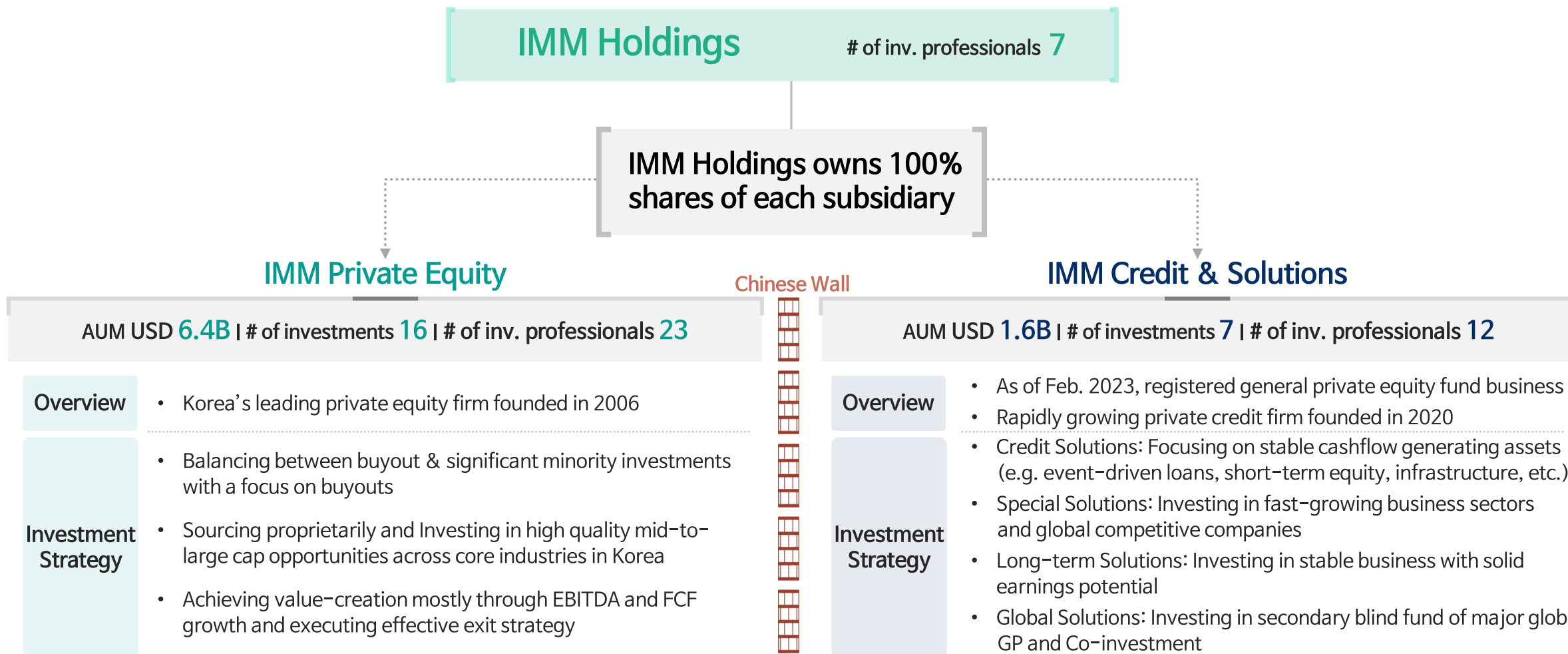
- Hollys F&B (exited)
- Taihan Cable and Solution (exited)
- W Concept (exited)
- Able C&C
- AirFirst (Formerly Linde Korea)
- Hanatour Service

Growth Capital Investments (Total: 28)

- CAP (exited)
- Tailim Packaging/Paper (exited)
- Hyundai LNG Shipping
- Genuone Sciences
- Pet Friends
- Hanssem
- 19 exits incl. Handok & Genexine
- K Bank, SOCAR, Kidari Studio
- Woori / Shinhan Financial Group
- Kyobo Life Insurance, Mars Ent. Group
- Bear Robotics, Megazone Cloud



IMM Holdings, with its wholly owned subsidiaries **IMM PE** and **ICS** (collectively “IMM”), is a leading comprehensive Private Capital Management firm in Korea with strong value creation capability

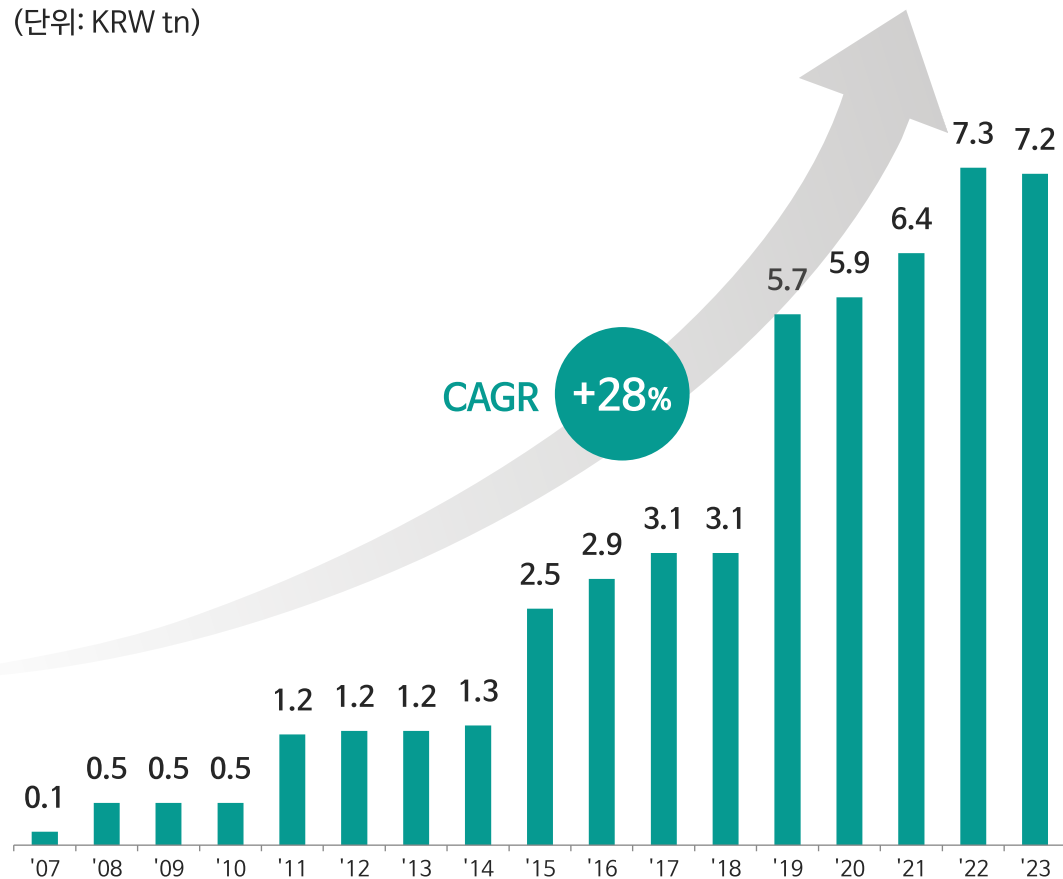




IMM PE Highlight

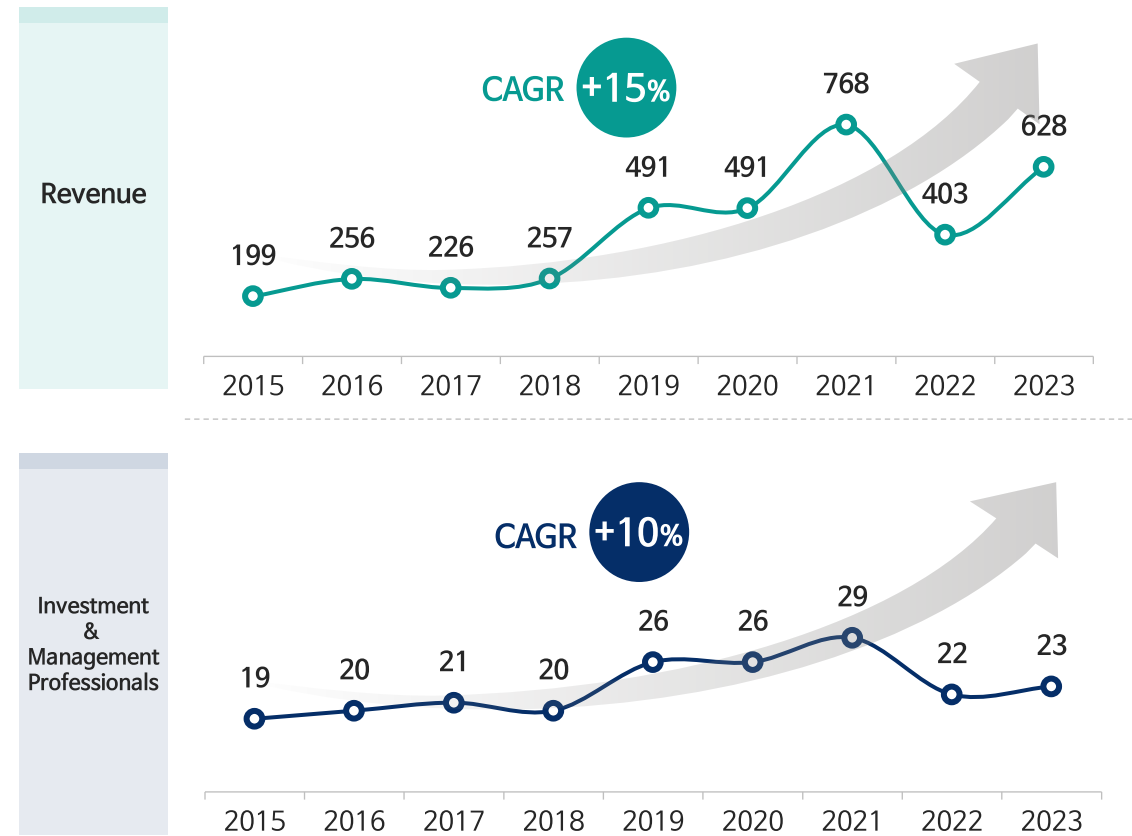
AUM by Year¹

(단위: KRW tn)



Growth Trend of Revenue and # of Professionals

(USD mn, # of people)

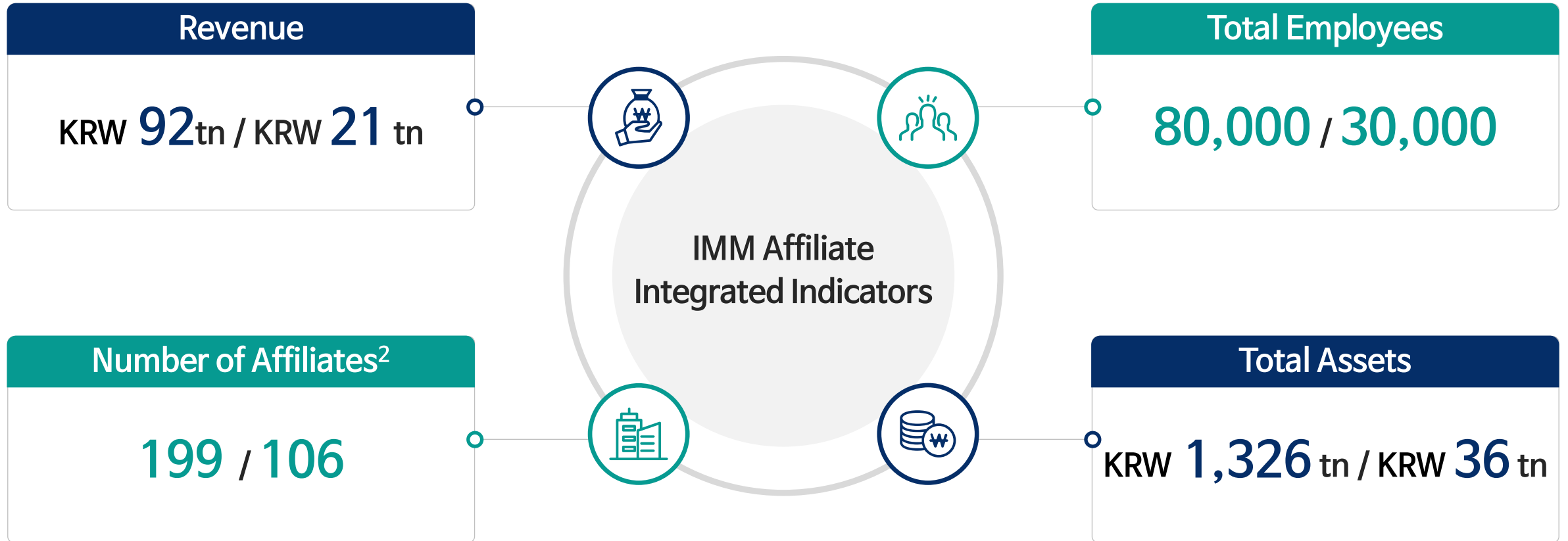


1. Based on cumulative commitments excluding liquidated PEF

2. 7 individuals transferred to ICS in 2021, followed by 8 transfers to IMM Holdings from 2022 to 2023, with CAGR calculated adjusting for transfer counts



2022 Consolidated financials including/excluding financial institutions¹

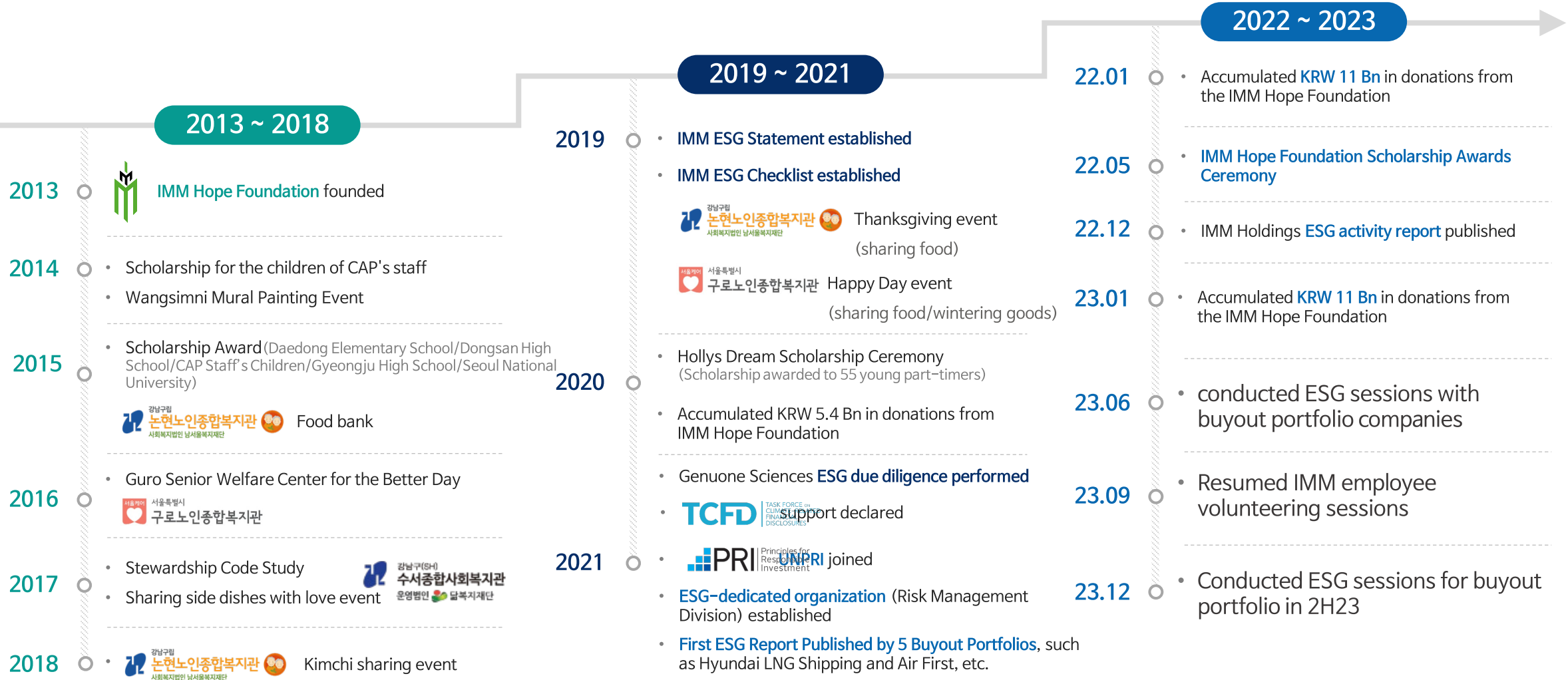


1. Woori Financial Group, Shinhan Financial Group, K Bank, Kyobo Life Insurance, Samsung Life

2. The figure combines both parent companies and their subsidiaries



IMM ESG Milestone





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II. ESG Framework

IMM PE 소개

IMM ESG Framework

IMM Portfolio ESG Activities

IMM PE ESG Activities



4"S" Investment Philosophy and ESG

S table Profitability

Achieve differentiated investment returns based on strong investment fundamentals

S ound Professionalism

Fulfill fiduciary duty with utmost good faith and pursue ethical and professional investment



S ocial Responsibility

Socially responsible investment

S teadfast Relationship

Build long-term trust with our investors, portfolio companies and counterparties



E nvironmental



S ocial



G overnance

IMM Holdings achieves differentiated returns under the investment philosophy "4S" established in 2011, considering social responsibility and building long-term relationships which are reflected in sustainability initiatives at the internal fund/portfolio level



Joined **key ESG global initiatives** and adopted **ESG policies** based on these key initiatives

1 the UN PRI pledge



Joined in May 2021

Policies that align with UN PRI principles

UN PRI Principles

- 1 We integrate ESG issues into our investment analysis and decision-making processes.
- 2 We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4 We will promote acceptance and implementation of the Principles within the investment industry.
- 5 We will work together to enhance our effectiveness in implementing the Principles.
- 6 We will each report on our activities and progress towards implementing the Principles.

2 TCFD Declaration of Support

Corporate Governance

Disclose of corporate governance risks and opportunities associated with climate change

Risk Management

Disclose how organizations identify, assess and manage climate change related risks



Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

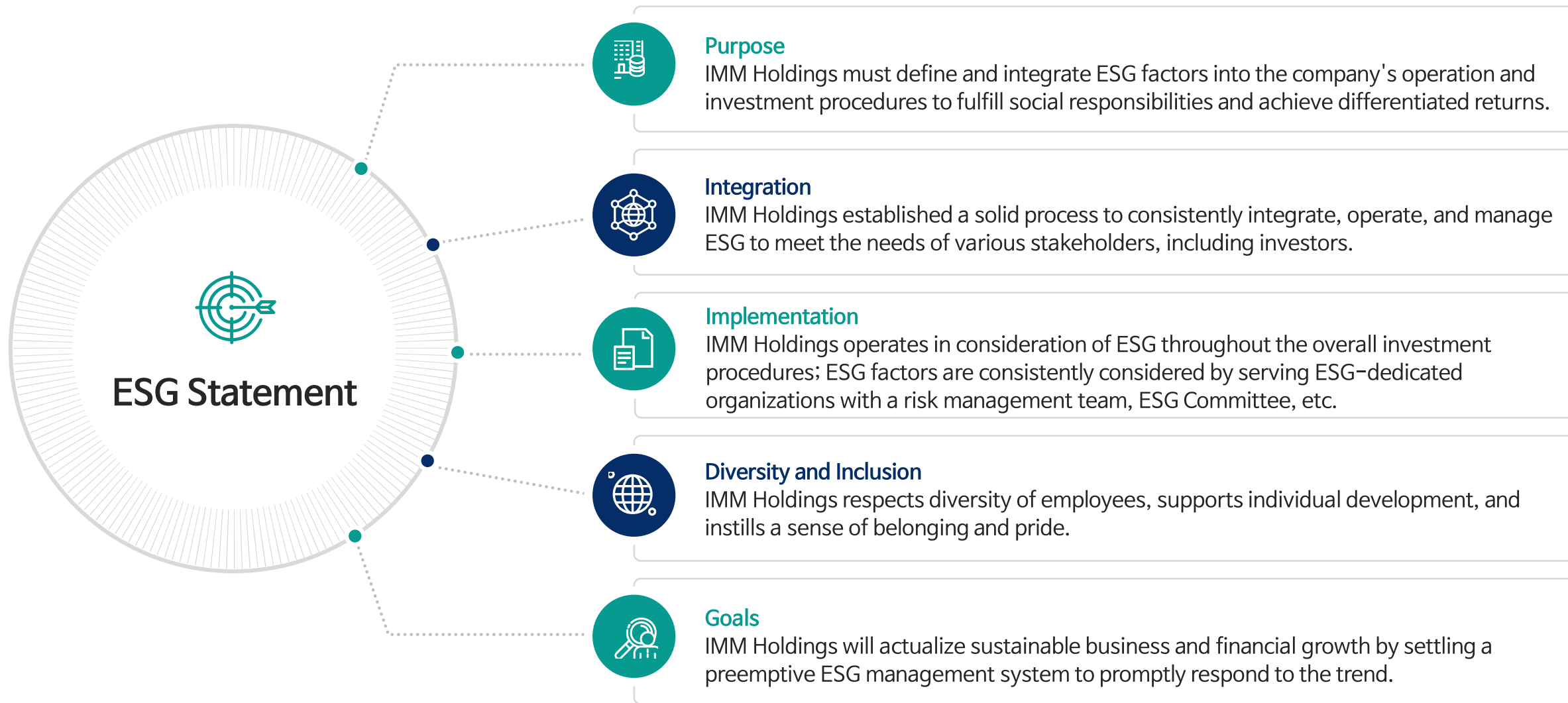
Strategy

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

Indicators and Goals

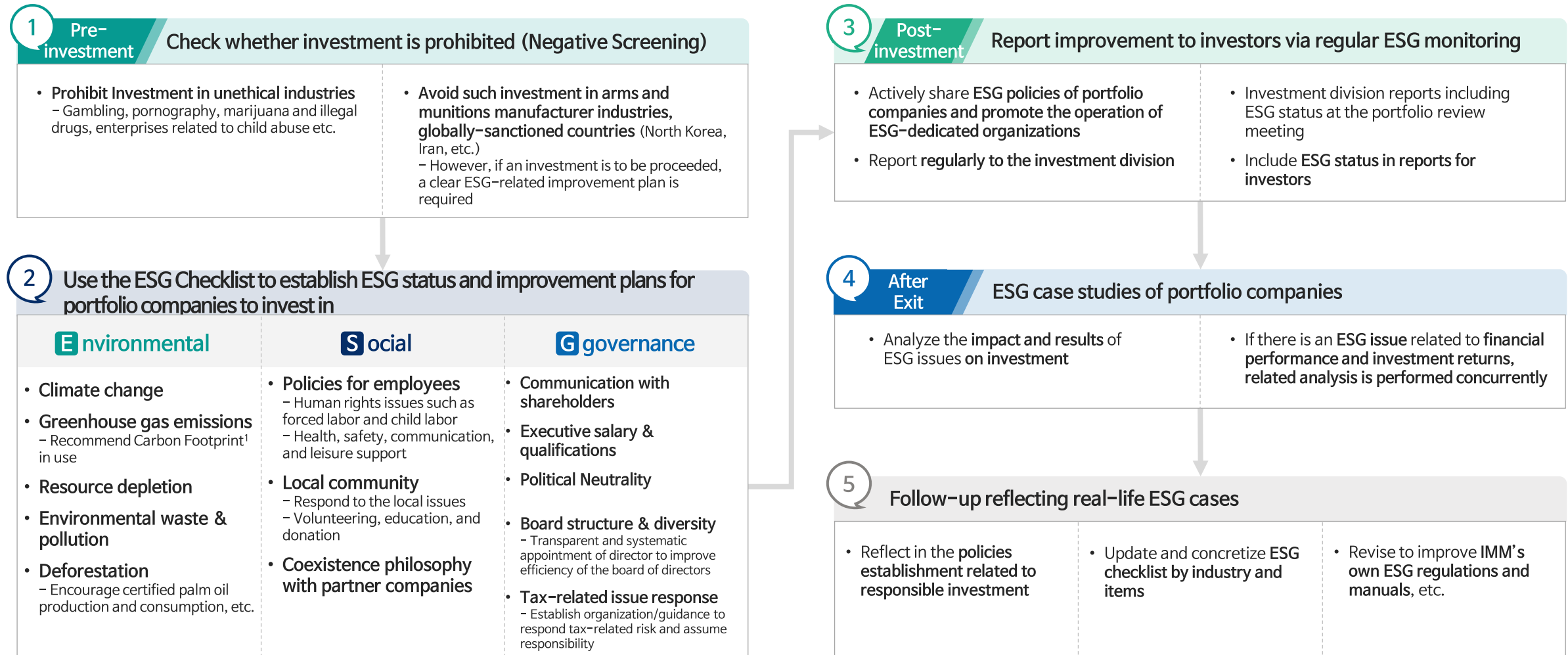


ESG Policy





Continuous ESG policy compliance checks throughout overall investment procedures



1. Carbon footprint: a quantitative indicator of the effect of carbon (greenhouse gas) on climate change in all processes, including raw material collection, production, transportation, distribution, use, and disposal of products and services



ESG Checklist is utilized in the process of investment review to examine the company's current ESG status and establish ESG improvement plans in advance

Negative Screening

Check target companies' contribution to create social value

- ☒ Is the company involved in the production and sale of illegal products?
- ☒ Is the company involved in child abuse or child labor?
- ☒ Is the company involved in industries related to gambling or pornography?
- ☒ Is the company related to countries with global sanctions (North Korea, Iran, etc.)?
- ☒ Is the company related to arms and munitions manufacturing industry?

Social

Labor environment and health/conflicts of interest in community/ employees' relationship

- ☒ Do the employees comply with legal working hours?
- ☒ Do the employees receive quality medical services / other employee benefits?
- ☒ Does the company carry out social contribution activities such as community services?
- ☒ Is the company properly protecting its customer information and compliant with relevant laws and regulations?
- ☒ Does the company implement policies on the employment of socially disadvantaged such as the disabled and young people?
- ☒ Does the company have regulations and facilities for the safety of employees and customers?

Environmental

Climate change/greenhouse gas emissions/resource depletion/ environmental waste and pollution/expansion of clean energy

- ☒ Does the company have appropriate response strategies for domestic and global environmental regulations?
- ☒ Does the company dispose of hazardous waste in an appropriate way?
- ☒ Does the company have policies, visions, and organizations that have a positive impact on the environment?
- ☒ Does the company adopt and operate eco-friendly energy policies?
- ☒ Does the company adopt a competitive environmental policy compared to peer companies in the industry?

Governance

Management incentive system based on long-term performance/Anti-bribery and corruption/political lobbying/tax-related issues

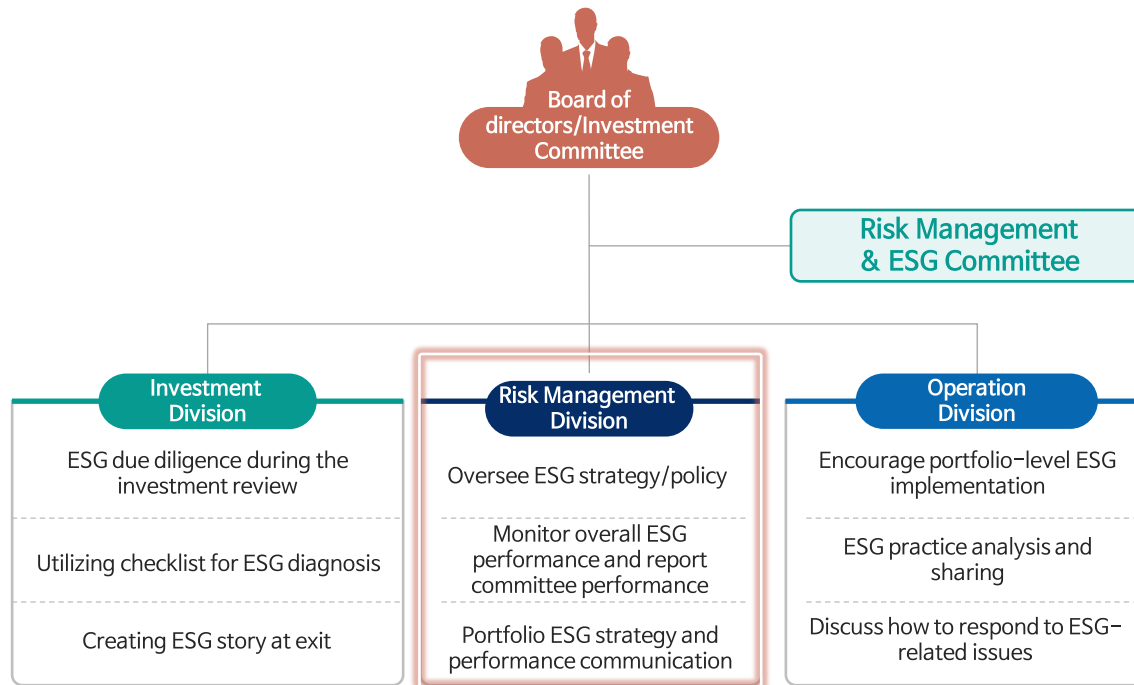
- ☒ Does the company's CEO have the right qualifications and communicate a consistent strategic vision for the company's operations?
- ☒ Is the company's management compensation system linked to long-term performance?
- ☒ Are the regulations and organizations in place to prevent moral hazard (bribery, embezzlement, etc.)?
- ☒ Does the company have specific regulations and procedures for fair disclosure and accounting transparency?
- ☒ Are the company's executives and employees mutually excluded from political and religious influences?
- ☒ Does the company have regulations and organizations that can properly respond to tax-related issues?



IMM operates the company considering ESG and serves **ESG-dedicated organization (Risk Management Division)** to implement a responsible investment

ESG-dedicated Organization

IMM integrates ESG's core values into internal processes and the risk management division manages ESG systematically.



Role of ESG-dedicated Organization

ESG-dedicated organizations continue to promote and oversee ESG activities in the pre-investment stage and management of portfolio companies.



Oversee ESG management system

- Continue to check ESG policy compliance throughout investment review and execution, check using ESG Checklist, and conduct ESG due diligence during the investment review
 - Prior to investment, examine if the investment is prohibited (Negative Screening)
 - Pre-establish ESG status and improvement plans for potential portfolio companies using ESG Checklist
 - After the investment, report the ESG improvement to investors via regular ESG monitoring
 - After exit, create an ESG case study of the portfolio company and follow up



Encourage IMM ESG activities

- Publish IMM ESG statements and IMM ESG activities on the website and actively communicate with investors and other stakeholders
- Lead social discussions on ESG issues through various means such as media, by also joining major global ESG initiatives
- Contribute to local communities through IMM Hope Foundation and social community services



IMM encourages **portfolio companies to pursue ESG management** such as ESG report publication and ESG ratings enhancement after initial investment

Publication and Disclosure of ESG Reports

1 ESG Report Publication

- Major portfolio companies had no previous experience in the publication of ESG reports
- Monitor to promote annual publication in June–July since 2021

2 Formation of ESG Section on the Corporate Website



- Example of ESG Section on the Genuone Sciences website

Response to ESG Ratings

1 Korea Corporate Governance Service (KCGS) ESG Rating

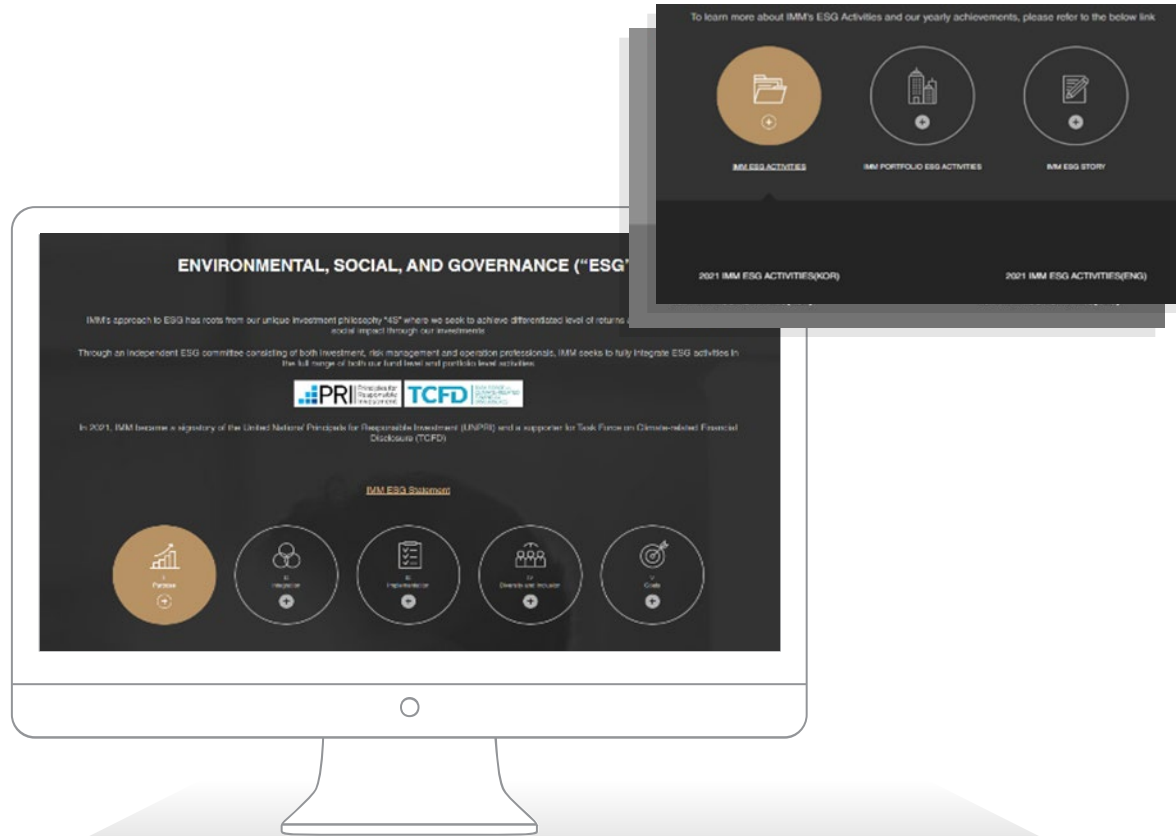
- KCGS evaluates the level of sustainable management of listed companies in Korea every year via thorough evaluation of corporate governance, social responsibility, and environmental management.
- KCGS ESG rating is perceived as the most reliable indicator in Korea and is used to organize KRX social responsibility investment index stocks

2 KCGS ESG Rating of Listed Companies

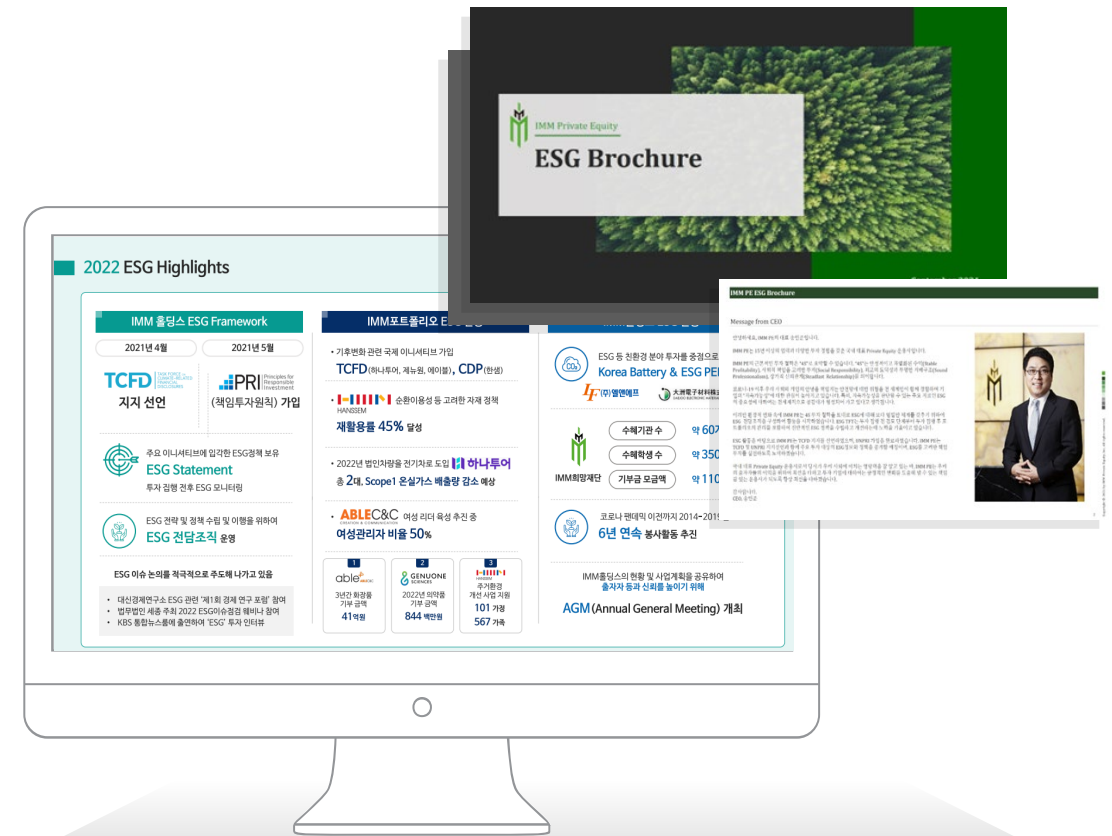
Portfolio	Year	Overall ESG rating	Environment	Social	Governance
ABLEC&C CREATION & COMMUNICATION	2022	B	D	B	B
	2023	C	C	B	C
하나투어	2022	B+	B+	B+	B+
	2023	B+	B+	A	B+
HANSEM	2022	A	B+	A	A
	2023	A	A	A	A



Active communication with relevant parties, including investors continues through the publication of ESG policies and activities on the corporate website



ESG Related Documents



ESG Brochure published and regularly updated





Sustainability Report | IMM Private Equity

III . IMM Portfolio ESG Activities

Introduction on IMM PE

IMM ESG Framework

IMM Portfolio ESG Activities

IMM PE ESG Activities



IMM Portfolio ESG Activity Status by Category

Environmental

- Actively respond to climate-related risks in different industries such as by joining in environmental initiatives
- Manage and improve key environmental indicators such as greenhouse gas emissions and waste generation
- Promote eco-friendly initiatives such as improving packaging materials, introducing EVs, etc.

ESG

Governance

- Aim to improve corporate governance through implementing executive officer systems, holding board meetings, encouraging independent directors, etc.
- Professionally and systematically conduct ESG management through operating ESG-dedicated organizations and ESG committees
- Publish ESG reports regarding ESG activities

Social

- Launch sustainable products to provide customers the opportunity to engage in ESG activities
- Pursue diversity in executives and employees by fostering female leadership and hiring persons with disabilities
- Improve safety management systems for a better working environment and promote mutual growth with suppliers
- Social contribution activities to develop local communities

Identify and respond to main challenges surrounding E, S, G categories reflecting strategic importance and stakeholder sensitivity for each portfolio company



IMM's portfolio companies preemptively respond to **climate-related risks** via various measures including joining global initiatives etc.

Supporting TCFD

TCFD Task Force on Climate-related Financial Disclosure

- 01 TCFD recommends companies to apply future scenarios to analyze potential risks and financial impacts to disclose clear information regarding climate-related risks and opportunities that companies will confront
- 02 Since the TCFD recommendations in 2017, 4,893 companies from 104 countries (as of November '23) joined the TCFD global support initiative, which ended successfully in mid-November '23
- 03 TCFD's climate disclosure oversight shifts to ISSB, which has released sustainability disclosure standards aligned with IFRS. South Korea aims to finalize ESG disclosure standards in Q1 2024

Buyout Portfolios Supporting TCFD | Buyout Examples



Climate Change responses according to industry characteristics



- IMO  (International Maritime Organization) continues to advocate eco-friendly regulations for ships, and Hyundai LNG Shipping is responding preemptively
- Joined the clean ammonia council
- Seek to join a joint shipping industry ESG enhancement agreement led by KAMCO



- Enhancing ESG KPI management by segregating Genewon Science/Genewon Pharma data for indicator and performance tracking
- Enhancing wastewater treatment at Genewon Science for better discharge
- Scrap metal recycling post facility upgrade
- Improving energy efficiency via steam pipe checks at Genewon Science and routine cleaning of cooling towers at Genewon Pharma

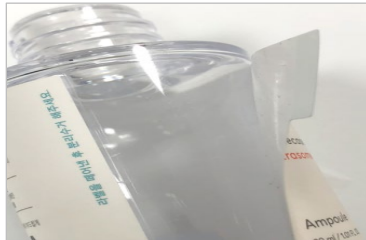


From the onset of R&D, we integrate environmental considerations, ensuring the **development of environmentally sustainable products.**

Development of eco-friendly packaging and vegan-certified products

ABLE C&C
CREATION & COMMUNICATION

- 1 Encouraged recycling by attaching removable labels
- 2 Providing material type and disposal guidance on containers



- 3 Using FSC-certified, bamboo-based eco-friendly paper and soy ink



Leveraging sustainable aviation fuel and operating electric vehicles

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- 1 Signed Sustainable Aviation Fuel (SAF) purchase agreements

FINNAIR

Lufthansa

AIRFRANCE KLM GROUP

- 2 Reduced carbon emissions by 5% per year on a Scope1 basis by incorporating electric vehicles into the corporate fleet



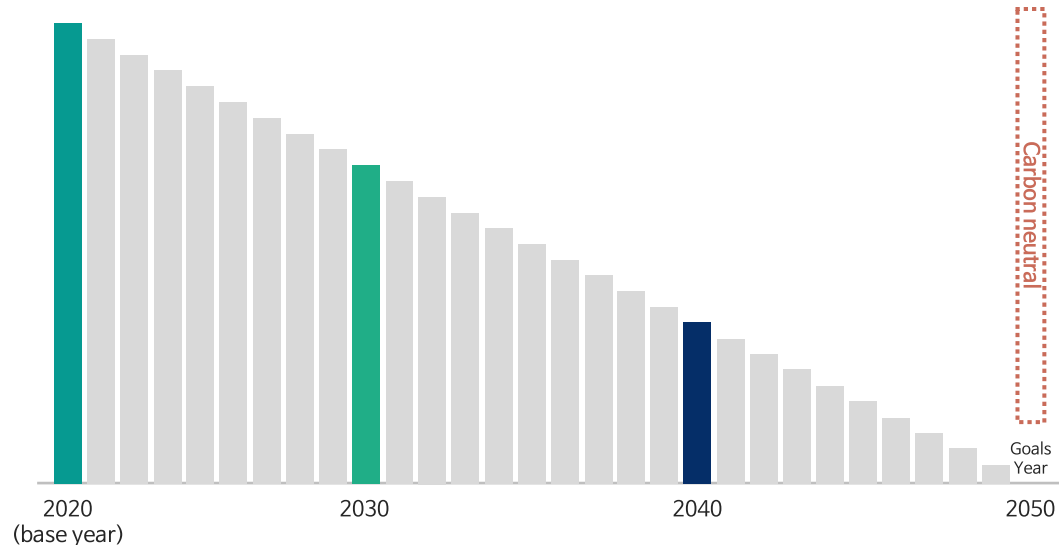


Developing responses to long-term climate risks and launching short-term eco-friendly campaigns



Setting mid- to long-term GHG reduction goals with appropriate Key Performance Indicators (KPIs)

[Achieving our 2050 net-zero workplace objective, by transitioning to renewable energy sources]



- Formulated a roadmap that achieves carbon neutrality in workplace by 2050
- Developed a comprehensive strategy to transition the operations to 100% renewable energy sources, including the use of renewable electricity and the establishment of on-site renewable energy generation system



- Developed a framework to enhance sustainable travel options and encourage their adoption by awarding certification marks
- Promoted a culture of sustainable travel through various initiatives, such as expanding and marketing eco-friendly travel choices



Each of our portfolio companies engages in a variety of **community service activities**

Community service initiatives of portfolio companies

1

AIRFIRST



Donations

- Donated KRW 2 mn to social welfare organizations through a company-wide walking campaign in commemoration of company's anniversary
- Donated KRW 2 mn to upcycling org. through a plastic bottle cap collection campaign

Community outreach

- Volunteered in meal service and sanitized dining room at the Pohang Senior Welfare Center.
- Volunteered in meal service at the Seosan General Social Welfare Center

2

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Donations and Community Service Activities

- Donations from the January briquette drive (approximately KRW 2.52 million)
- Donated KRW 10 million for the earthquake relief fund in Turkey in March
- Other donation campaigns resulted in a total donation of KRW 36 million in 2023

3

**GENUONE
SCIENCES**



Local volunteer activities coordinated with community service organizations

- Sejong-Jecheon Plant: Conducted regular environmental restoration campaigns in the local area
- Jecheon Plant: Formed a partnership through an MOU with the Jecheon Volunteer Center, gaining recognition for exceptional volunteer service in Jecheon City and securing an award from the Mayor of Jecheon (Genupharma).
- Seoul Lab: Engaged in both community and virtual outreach programs.



Committed to obtaining and upholding a range of certifications to fulfill social responsibility

Quality and Anti-Bribery Management Certification

Quality
Management
Certification
ISO9001



- Since 2006, Hansem's manufacturing division has been ISO9001 certified, an international quality management system
- In 2023, Hansem's R&D Center and headquarters obtained new certifications

Anti-Bribery
management
certification
ISO37001



- Both GenuOne Science and GenuPharma hold Anti-Bribery Management Certification (ISO37001)

Consumer Centered Management Certification

Certification in Consumer Centered Management (CCM)



- Review companies' management activities in a consumer perspective; evaluated by Korea Consumer Agency and certified by Fair Trade Commission
- Evaluate overall customer satisfaction: management's interests in CCM, CRM, customer dissatisfaction/satisfaction monitoring system
- Certificates issued on a 2-year basis

Portfolio CCM Certification Cases



Certified for **7**
consecutive years
(2012 to 2023)

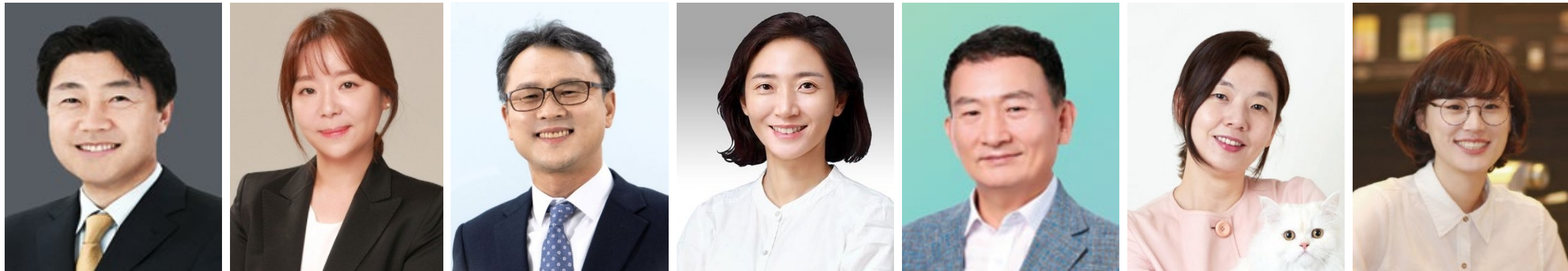


Certified for **7**
consecutive years
(2012 to 2023)



Four of the seven companies in our buyout portfolio are led and operated by **female CEOs**

{ Portfolio CEO }



ABLEC&C



Previous Experiences

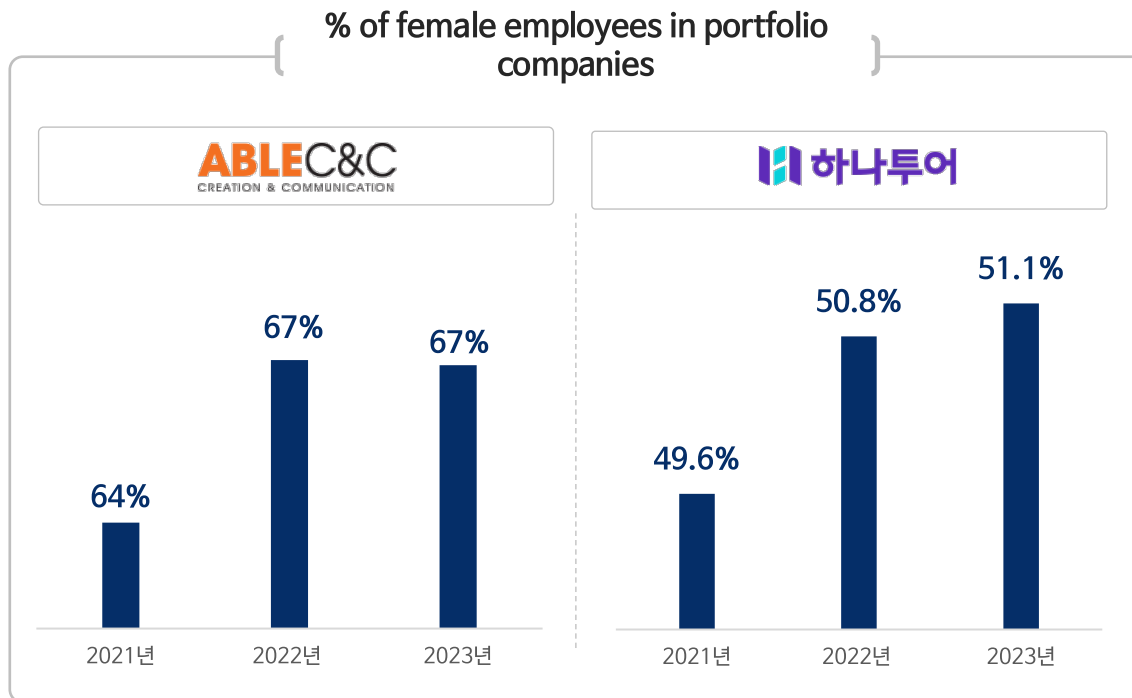
Kyubong Lee	Yoojung Shin	Han Yong Yang	Misun Song	Samsu Lee	Hyunshin Yoon	Yujin Kim
Hyundai LNG Shipping CEO	Able C&C CEO	AirFirst CEO	Hanatour CEO	Genuone Sciences CEO	PetFriends CEO	Hanssem CEO IMM PE Partner
SK Group	Holly's F&B CEO	Linde United States CEO	Boston Consulting Group Partner	CEO of Borung Pharmaceuticals	Here.com Head of Korea	Able C&C CEO
BP p.l.c.	Procter&Gamble	Head of Dupont Asia			Coupage Director	Harley's F&B CEO
Bain&Company					Mckinsey&Company	



Implement diversity-oriented management by increasing female employee representation and hiring the disabled

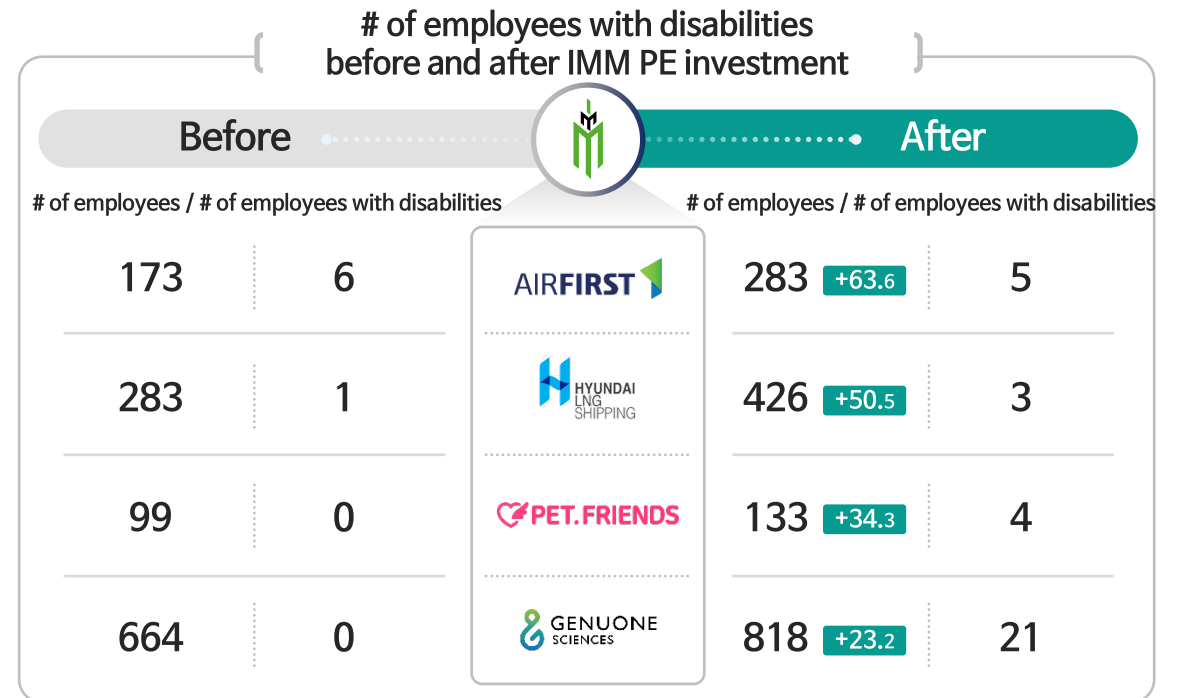
Increasing the percentage of female employees

At Able C&C and Hanatour, the percentage of female employees is continuously increasing



Disability Hiring

Key portfolio companies implement disability hiring programs with detailed consideration of job requirement and the type of employment





Each company remains committed and has earned recognition for providing high-quality jobs with equal Opportunities; valuing the diversity of its workforce; and fostering a family-friendly work environment.



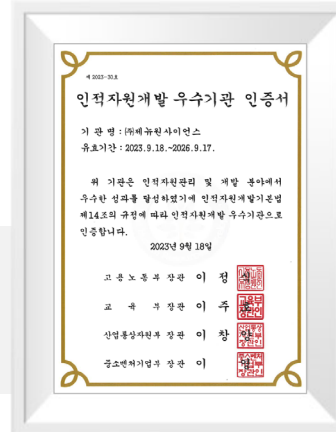
여성가족부
Certified as an outstanding family-friendly company



보건복지부
Recognized as a Company with outstanding Community Contribution



Awarded for **Excellence in Corporate Gender Equality** by the Minister of Employment and Labor



Certified as a Corporation for **Excellence in Human Resources Development**



문화체육관광부
Certified as a Leisure Friendly Corporation



IMM portfolio companies implement ESG management through dedicated groups and committees and publish ESG reports about major ESG activities on the respective corporate website

ESG-dedicated Organization



- On December 13, 2023, the Extraordinary General Meeting of the Board of Directors approved the establishment of the Sustainability Committee at both Genewon Science and Genocepharma
- Member of the Sustainability Committee

Publishing ESG reports

- Publishing a sustainability report on ESG activities**
 - Major portfolio companies had no previous experience in the publication of ESG reports, except for Hanssem
 - Six of our buyout portfolio companies has been publishing sustainability reports on their respective corporate websites (*The 2023 sustainability reports are available)
- Acquisition of Sustainable Management Report Certification**
 - Most of the major portfolio companies have earned a 3rd-party certification
 - Certified in accordance with GRI standards
- Publication of English Report for Overseas Stakeholders**

ESG Committee

AirFirst, Hanatour, Genuone Sciences, and Hanssem operate ESG committees in which executives participate in ESG agenda discussion



ESG Section on Website

ESG activities and policies published on the corporate website provide access to various stakeholders





Recognized externally for ESG management achievements through multiple ESG award

Award History

- 1 In May 2023, the company received the Minister of Employment and Labor's Award for Excellence in Gender Equality Employment
 - This accolade recognizes businesses that adopt systems to reduce gender imbalances in hiring and promotions, exceed mandatory maternity protection standards, and support work-life balance.
- 2 Selected as an exemplary company for human resource development in September '23 by the Korea Industrial Personnel Corporation and four ministries
 - A program that certifies companies excelling in skill-based talent recruitment and management, offering ongoing employee training. Jointly certified by the Ministry of Employment and Labor, the Ministry of Education, the Ministry of Trade, Industry, and Energy, and the Ministry of SMEs and Startups, with oversight from the Korea Industrial Personnel Corporation. Certification lasts three years.
 - Benefits for certified companies include exemption from regular labor inspections, additional points for vocational skills development awards, preferential treatment in public procurement, and advantages in SME support project selections.
- 3 Recipient of the Dong-A Ilbo K-ESG Award (September 2023)
 - Dong-A Ilbo awards companies demonstrating exemplary ESG management based on K-ESG guidelines, enhancing corporate value and promoting a culture of innovative and sustainable management.
- 4 Genupharma received the Minister of Employment and Labor's Fair Hiring Excellence Award in November 2023
 - IMM commended for implementing fair hiring practices focused on transparency, skill, and empathy.

Award History

- 1 Recipient of the 2023 Minister of Trade, Industry and Energy Award
 - AirFirst received an award from the Minister of Trade, Industry, and Energy at the 16th Semiconductor Day ceremony for contributing to semiconductor industry development

Award History

- 1 Received Seoul Mayor's Prize at the Dong-A Ilbo K-ESG Awards in September 2023
 - Recognized by Dong-A Ilbo for outstanding ESG management practices, contributing to corporate value and sustainable management culture.
- 2 Selected as an excellent human resource development organization (Hansem Development, September 2022 – September 2025)
 - A program that certifies companies for exceptional human resource development and management, offering continuous training to employees and focusing on skill-based hiring. Jointly endorsed by four government ministries and administered by the Korea Industrial Personnel Corporation, the certification lasts three years.
 - Certified companies enjoy benefits like exemption from labor inspections, preferential selection in vocational awards and public procurements, and additional points in SME support projects during the certification period.





Sustainability Report | IMM Private Equity

IV. IMM PE ESG Activities

Introduction on IMM PE

IMM ESG Framework

IMM Portfolio ESG Activities

IMM PE ESG Activities



IMM Holdings ESG Progress by Area

Environmental

- ▶ Declared support for TCFD to respond to climate change and encouraged portfolio companies to join
- ▶ Filed comprehensive reports to the UN PRI since entry
- ▶ Promote various campaigns where employees can participate in environmentally-friendly activities

ESG

Governance

- ▶ Actively engage with relevant parties including investors by publishing ESG policies and reports on corporate websites
- ▶ Hold an annual AGM to share IMM Holdings' current status and business plans to strengthen trust
- ▶ Operate a risk-dedicated team to better manage ESG risk

Social

- ▶ Operate a system that encourages employees to instill a sense of engagement and self-esteem
- ▶ Donate regularly through the IMM Hope Foundation
- ▶ Employ social companies such as Bear.Better to contribute to local communities
- ▶ Encourage portfolio companies to hire the disabled and persons of distinguished service

IMM Holdings, as a leading private capital management firm in Korea, continuously **engages in ESG activities**



IMM Holdings declared **its support for TCFD to respond to climate change-related risks** in April 2021, **encouraging its portfolio companies to support as well**

TCFD Overview of Recommendation

TCFD Recommendations

Task Force on Climate-related Financial Disclosure

- Methodology for climate-related information disclosure that was discussed during ESG of the 2015 G20 Finance Ministers and Central Bank Council: (1) Establish a dedicated organization (2) Plan strategies (3) Define management process (4) Recommend to disclose targets and measurement
- TCFD recommends companies to analyze financial implications and potential risks based on forecasted scenarios to provide transparent information regarding potential climate change-related risks and opportunities
- There is no requirement or membership fee now; Defining and reporting its standards after declaring support would suffice



Corporate Governance

Disclose of corporate governance risks and opportunities associated with climate change

Risk Management

Disclose how organizations identify, assess and manage climate change-related risks



Disclosure of the existing and potential impact of climate change-related risks and opportunities on critical business, strategy and financial plans

Strategy

When relevant information's implication is financially significant, disclose indicators that assess and identify risks and opportunities as well as measures to respond

Indicators and Goals



Joined the UN PRI, a leading global ESG initiative, and aligned our ESG policy with it

Joining the UN PRI pledge and preparing to report activities



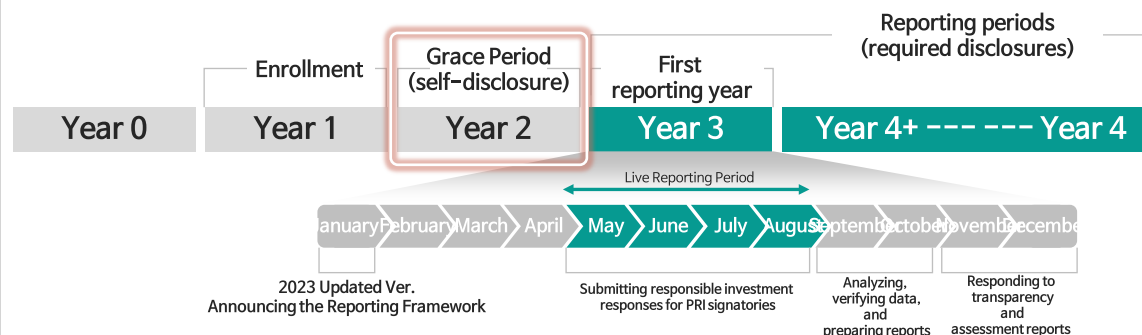
Joined in May 2021

Policies that align with UN PRI principles

UN PRI Principles

- 1 We integrate ESG issues into our investment analysis and decision-making processes.
- 2 We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4 We will promote acceptance and implementation of the Principles within the investment industry.
- 5 We will work together to enhance our effectiveness in implementing the Principles.
- 6 We will each report on our activities and progress towards implementing the Principles.

PRI Implementation Process



- Two-years after joining the UN PRI, annual investment report becomes mandatory; failure to submit results in termination from the pledge
- IMM PE, having joined UN PRI in April 2021, falls into Year 2 (voluntary reporting) in 2023
- From 2024, obligated to submit annual reports on 2023 activities

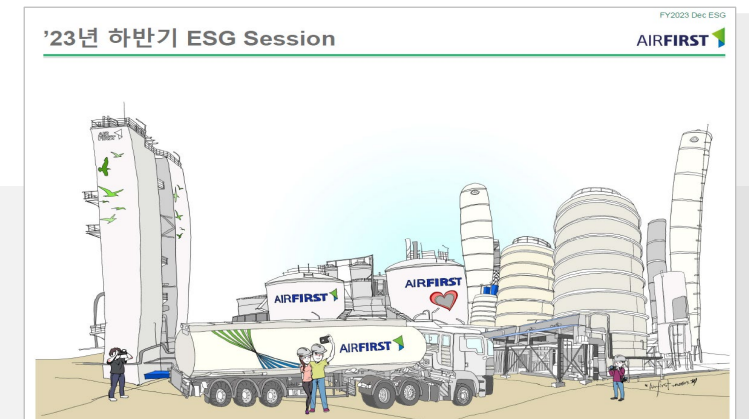
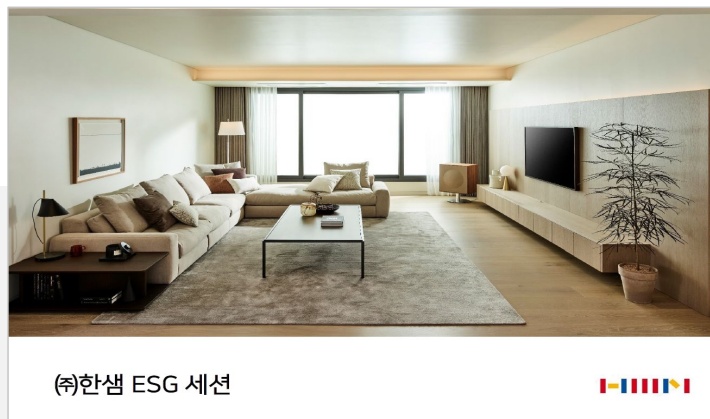
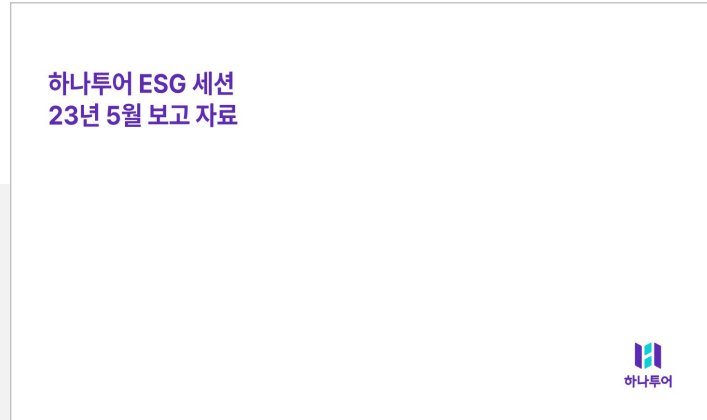
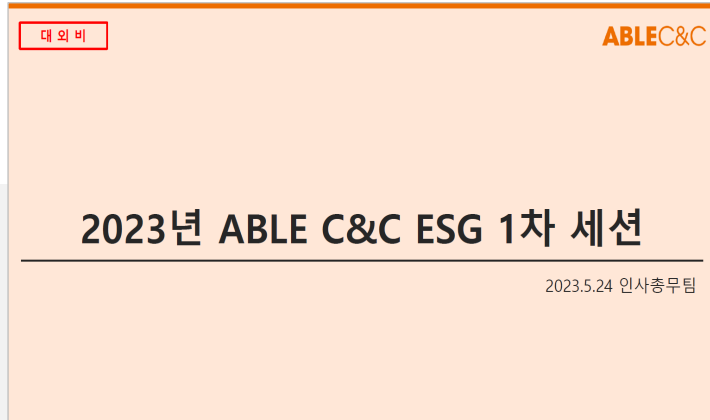


Expectation

- Proactively learning for 2024's mandatory reporting
- Addressing ESG management deficiencies identified in voluntary reporting
- Targeting a higher rating in next year's mandatory report



IMM PE conducts **ESG sessions with** buyout portfolio companies on a semi-annual basis to support and monitor ESG management activities





Promote regular **community service activities** to contribute to the local community

Community Service



IMM resumed community service activities in September 2023, which had been suspended due to COVID-19. Together with NH, employees from IMM Holdings, IMM PE, and IMM CS participate in agricultural volunteer activities and signed an agreement with Sanghajung Village



2016-2017

- 2016. Guro Senior Welfare Center Food Sharing Activities
- 2017. Suseo Social Welfare Center Food Sharing Activities

2014-2015

- 2014. Wangsimni Mural Painting Activities
- 2015. Nonhyeon Senior Welfare Center Food Sharing Activities

History of volunteerism

- 2018. Nonhyeon Senior Welfare Center Kimchi Sharing Activities
- 2019. Nonhyeon Senior Welfare Center Food Sharing Activities

Due to COVID-19, activities were stopped

- 2023. Volunteering Experience at the Sanghajung Village

2018-2019

2020-2022

2023



IMM Holdings is committed to **contributing to the community and** fulfilling its **social** responsibility.
Founded the **IMM Hope Foundation** in 2013 and is actively involved with it

IMM Hope Foundation

When it was founded	2013
Purpose of Establishment	To discover and nurture young talents who will contribute to social development as part of realizing social responsibility, which is one of IMM's investment thesis
Recipients	Future talent with infinite potential to change the world through challenges even under difficult circumstances (nurturing a wide range of talents from elementary school to college students)
Scholarship Award Process	<div> <div>1 Selection of payable institutions (employee recommendation)</div> <div>→</div> <div>2 Scholarship student application submission</div> <div>→</div> <div>3 Selection of scholarship students and payments of scholarships</div> </div>
Donation Process	Deliver the desired donor to the person in charge of the IMM Hope Foundation and pay at least twice the amount donated to the donor (matching grant)

HOPE Foundation activities

of beneficiary institutions

60+

of beneficiary students

350+

Donation amount

KRW 12.4 Bn (accumulated)

Employee donation amount¹

KRW 1.58 Bn (accumulated)

IMM Hope Foundation Scholarship Award Ceremony

- Held in May 2022
- Rejuvenated employees' social responsibility, encouraged their participation, and provided talented students selected by IMM Hope Foundation the opportunity to connect with and learn from our employees



1. Contributions including IMM Holdings and IMM Investments employees



Strive to fulfill social responsibilities by utilizing social enterprises and promoting the employment of persons with disabilities and distinguished service

Utilization of social enterprises

IMM Holdings continues to hold transactions with Bear Better and is planning to utilize more social enterprises in the future

BEAR.BETTER.

[Bear Better]



- Social enterprise that employs people with developmental disabilities
- Founded in June 2012, it currently employs 240+ persons with developmental disabilities
- Accumulated experience in job development and employment management for persons with developmental disabilities, and aims to further expand the employment within the company and society

Better.Copy

Business that makes business cards and printed materials; Used in producing PEF T&I

Monitoring employment status of people with disabilities and distinguished service

Featured Portfolio Disability Employment Monitoring



- IMM PE continues to monitor the employment status of the disabled in its major portfolios
- Portfolio managers share future improvement plans and failures of implementations
- Hence, encouraged employment of the disabled

Employment status of persons of distinguished service



국가보훈처

- Persons of distinguished service and their families are given priorities in employment, but there are still many companies that do not meet the number of persons of distinguished service employed, mandated by the government
- IMM PE regularly monitors the status of employment of persons of distinguished service in terms of social responsibility



ENVIRONMENTAL, SOCIAL & GOVERNANCE

IMM's approach to ESG has roots from our unique investment philosophy. Through an independent ESG committee consisting of both investors and the full range of fact...

PRII

2021 IMM ESG ACTIVITIES(ENGLISH)

IMM ESG ACTIVITIES

IMM PORTFOLIO ESG ACTIVITIES

IMM ESG STORY

In 2021, IMM became a signatory of the United Nations Principles for Responsible Investment (UNPRI) and a supporter for Task Force on Climate-related Financial Disclosure (TCFD)

IMM ESG Pillars

3 Pillars

3 Investors

30 Implementation

30 Diversified Investor

3 Code

2021 ESG Highlight

IMM Private Equity

ESG

IMM PE ESG Brochure

Message from CEO

안녕하세요, IMM PE 대표 송민준입니다.

IMM PE는 15년 이상의 임팩트와 다양한 투자 경험을 갖춘 국내 대표 Private Equity 운용자입니다.

IMM PE의 구성사인 두산 웰니스 "4E"로 요약할 수 있습니다. "4E"는 연세대학교 유망성과(Seoul University), 사회적 책임을 고려한 투자(Social Responsibility), 최고급 디자인 및 부동산 투자(Grand Presentation), 궁극적 진보(Grand Achievement)를 의미합니다.

코로나-19 이후 우리 사회 책임과 발전을 책임지는 연세대학교와 함께 웰니스를 전 세계인에게 확대 경험하게 될 것입니다. "4E"라는 말이 세대를 뛰어넘어 알려지고 있습니다. 특히, ESG가 중요성을 얻어날 수 있는 주요 지표인 ESG 적용이 이제부터는 절대적으로 중요하게 될 것이라 보고 있습니다.

이러한 환경적 변화에 맞춰 IMM PE는 4E 투자 철학을 토대로 ESG에 대해 보다 실질적인 책임을 인식하여 ESG 전략과제를 구성하여 활동을 시작하였습니다. ESG TPE는 투자 집행 전 단계부터 투자와 집행 후 조율까지의 전 과정을 포함하여 전반적인 ESG 전략을 수립하고 개선을 위한 노력을 기울이고 있습니다.

ESG 활동을 바탕으로 IMM PE는 TCFD 지침을 기반으로, UNPRI 원칙을 준수하고 있습니다. IMM PE는 TCFD 및 UNPRI 지침에 따라 ESG 관련 투자 의사결정 시 ESG 인식을 경영을 위한 핵심 가치로, ESG를 고려한 책임 투자를 실천하도록 노력하겠습니다.

마지막으로 Private Equity 운용자의 임팩트가 우리 사회에 미치는 영향력을 강조하고 있는 바, IMM PE는 투자 의사결정과 ESG를 고려하여 ESG 관련 투자와 ESG 인식을 경영을 위한 핵심 가치로, ESG를 고려한 책임 투자를 실천하도록 노력하겠습니다.

감사합니다.
CEO, 송민준

IMM PE 내 ESG 활동

- 2021년 5월 TCFD 지침 이행
- 2021년 5월 UNPRI 원칙 이행
- 2021년 5월 ESG 위원회 구성
- 2021년 5월 ESG 전략 수립
- 2021년 5월 ESG 관련 투자 의사결정 시 ESG 인식을 경영을 위한 핵심 가치로, ESG를 고려한 책임 투자를 실천하도록 노력하겠습니다.

ESG 위원회

2021년 5월 ESG 위원회 구성

ESG Check

2021년 5월 ESG 관련 투자 의사결정 시 ESG 인식을 경영을 위한 핵심 가치로, ESG를 고려한 책임 투자를 실천하도록 노력하겠습니다.

온실가스 배출량

폐기물 배출량

에너지 사용량

42%

2021년 5월 ESG 관련 투자 의사결정 시 ESG 인식을 경영을 위한 핵심 가치로, ESG를 고려한 책임 투자를 실천하도록 노력하겠습니다.

41



AGM is held every year to share the status and business plans of IMM Holdings and thereby **strengthen trust with investors**

Annual General Meeting (AGM)

AGM Summary

- Around October every year, share fund performance and business plans to existing and potential investors
- CEOs of buyout portfolio companies directly hold company IR activities
- Provide opportunities for communication among domestic and foreign investors

2023 AGM Summary

- Around October every year, share fund performance and business plans to existing and potential investors
- CEOs of buyout portfolio companies directly hold company IR activities
- Provide opportunities for communication among domestic and foreign investors

Distribution of participating institutions



100% of survey attendees responded that they will attend the event next year

2023 AGM

IMM Overview & Portfolio CEO Presentation



Networking Opportunities



Reception Event & Entertainment





Company's know-hows and M&A market insights are shared via ICM, Seminar, and PEF T&I to promote mutual growth with investors and other stakeholders



ICM

Summary

- ICM(Investment Consensus Meeting) has been held annually since 2013
- In early January, all investment professionals gather to review the previous year's domestic M&A cases and the PEF market and discuss fund management strategies of the year
- At the beginning of the year, we visit each investor individually and deliver related session



Regular seminars

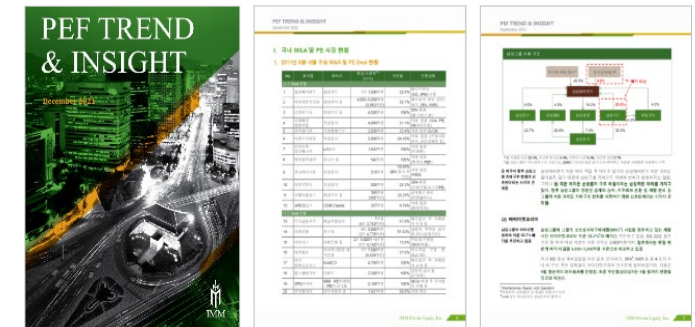
- Invite experts in various fields related to fund management such as M&A market trends and investment-related regulatory directions
- Hold four regular seminars every year (over 70 sessions in total since 2008)
- As the importance of tech increases, hold 'Tech Trend Education and Tech Expert Networking Sessions' for investors



PEF Trend & Insight

- Provide analysis of the domestic and foreign PEF markets and major M&A environment along with insights from major M&A case studies
- Published in Korean/English and provided in booklets and soft copies every two months (provided more than 80 times since 2009)

Output Example

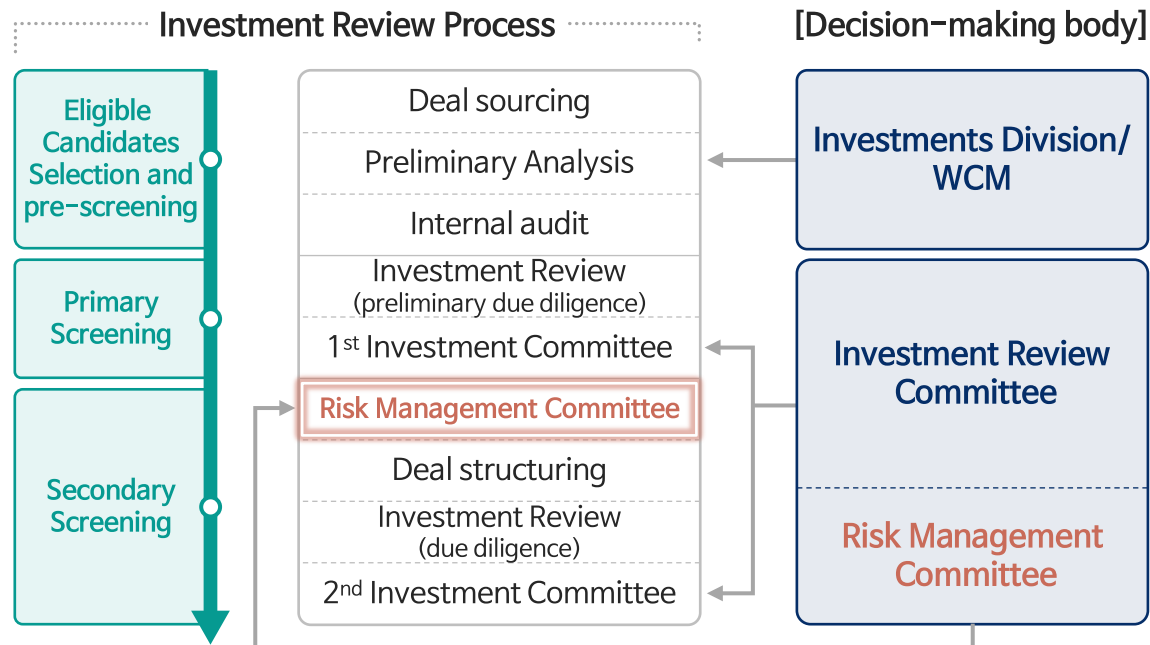




IMM Holdings operates a risk management committee and risk management organization to professionally and systematically manage company-wide risks including ESG

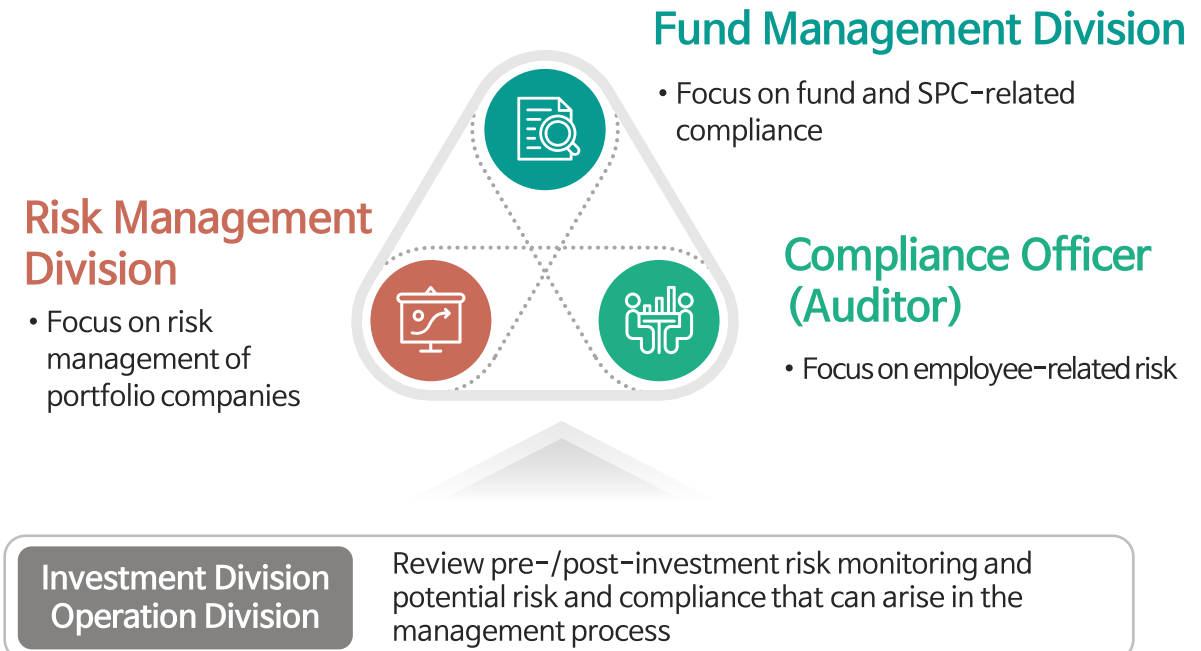
Risk Management Committee

Implement systematic risk management by requiring the **risk management** committee's vote in the investment decision-making process



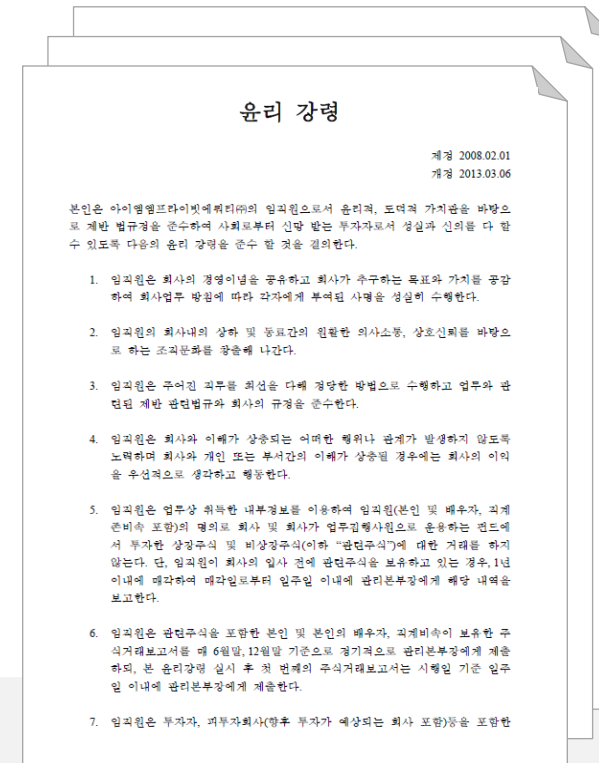
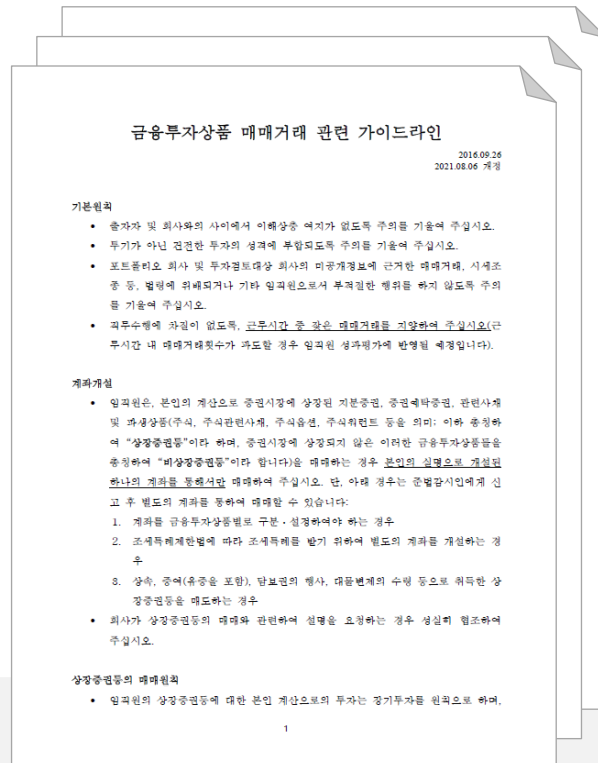
Risk Management Organization

Risk management organization is composed of individuals with risk-related expertise; all divisions are mutually cooperating





To prevent conflicts of interest and protect investor interests, we maintain an appropriate compliance system that involves education on the Code of Ethics & Conduct and mandates that new hires sign a relevant pledge



Guidelines for trading financial investment vehicles

Code of Ethics and Conduct pledge





As a leading Private Equity firm in Korea, IMM PE received multiple accolades for its diverse activity, notably receiving the eDaily Financial Investment Award in the **ESG category**

Awards

- | | |
|---------|--|
| In 2015 | <ul style="list-style-type: none"> Awarded the PEF of the Year at the Seoul Economic Daily Korea Securities Award |
| In 2016 | <ul style="list-style-type: none"> Recognized as the “Best PEF Fundraising Leader” at the 13th Korea IB Awards Included in the Top 300 Global Private Equity Groups by Private Equity International (#162 in the world) |
| 2019 | <ul style="list-style-type: none"> Recognized as the “Partner of the Year” for fund management by the Korea Teachers' Mutual Aid Association Awarded the PEF of the Year at the Seoul Economic Daily Korea Securities Award |
| In 2020 | <ul style="list-style-type: none"> Recognized as the “Best PE Buyer” of Korea Capital Markets at Thebell League Table Awards Awarded as the Best PEF Deal Leader at the 17th Korea IB Awards hosted by Money Today |
| In 2021 | <ul style="list-style-type: none"> Included in the Top 300 Global Private Equity Groups by Private Equity International (#114 in the world) |
| 2022 | <ul style="list-style-type: none"> Recognized as the “Best PE House” of Korea Capital Markets at Thebell League Table Awards Recognized as the Best PEF Solution Leader at the 19th Korea IB Awards hosted by Money Today Awarded Gold in the PEF category at the 24th Mae Kyung Securities Awards Recipient of the Korea Management Association's Best Management Award for Outstanding Creative Leadership |
| 2023 | <ul style="list-style-type: none"> Recipient of the Grand Prize in the PEF PMI category at the 20th Korea IB Awards hosted by MoneyToday Recipient of the the E-Daily Financial Investment ESG Award Recipient of the Deal of the Year Award in the IB category at the 20th Seoul Economic Securities Awards |



2023 eDaily
Financial investments
ESG Award



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